

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION

IN RE:	§	
	§	
VICTORY MEDICAL CENTER	§	CASE NO. 15-42373-RFN
MID-CITIES, LP, et al.,	§	(Chapter 11)
	§	Jointly Administered
Debtors	§	

**COMMENT OF IBERIABANK IN SUPPORT  
OF HPRH INVESTMENTS, LLC'S MOTIONS**

TO THE HONORABLE RUSSELL F. NELMS, UNITED STATES BANKRUPTCY JUDGE:

IBERIABANK (“**Iberia**”) files this its *Comment of IberiaBank in Support of* (the “**Comment**”) (1) *HPRH Investments, LLC’s Motion to Amend Debtors’ Joint Plan of Reorganization in Aid of Implementation of Plan and Motion to Compel Trustee to Pay Claim* [Docket No. 1559] (the “**Motion to Amend**”); (2) *HPRH Investments, LLC’s Motion to Interpret and Correct Inconsistency in Debtors’ Joint Plan of Reorganization in Aid of Implementation of Plan* [Docket No. 1560] (the “**Motion to Correct**”); and (3) *HPRH Investments, LLC’s Motion to Compel Trustee to Pay Claim* [Docket No. 1561] (the “**Motion to Compel**”, and together with the Motion to Amend and Motion to Correct, the “**Motions**”). In support hereof, Iberia respectfully states as follows:

1. On March 28, 2016 the Court entered its *Findings of Fact, Conclusions of Law and Order Confirming First Amended Joint Plan of Reorganization* (the “**Plan**”) [Docket No. 969] (the “**Confirmation Order**”). As set forth in Section 4.1.1 of the Plan, HPRH Investments, LLC (“**HPRH**”) holds a Class 1A Secured Claim attributable to the purchased “IberiaBank Notes against Mid-Cities LP and Mid-Cities GP [(the “**Mid-Cities Loans**)”], with an outstanding principal balance of \$4,530,961.40, plus interest, fees and related charges.” *See Plan*, at § 4.1.1. Additionally, as set forth in Section 4.1.3 of the Plan, HPRH holds a Class 1C Claim attributable

to the purchased “IberiaBank Landmark/Southcross Loans, against Landmark LP, Landmark GP, Southcross LP, Southcross GP and Victory Parent [(the “**Landmark/Southcross Loans**”, and together with the Mid-Cities Loans, the “**Iberia Notes**)”], with an outstanding principal balance of \$3,091,682.39, plus interest, fees and related charges.” *See* Plan, at § 4.1.3.

2. Iberia supports the relief requested in HPRH’s Motions inasmuch as the Trustee’s position reduces the amount of distribution received by HPRH, hence received by Iberia. As set forth in paragraph 24 of the Motion to Correct and the *Binding Term Sheet* [Docket No. 757] (the “**Term Sheet**”) governing the terms of HPRH’s acquisition of the Iberia Notes, HPRH holds prepetition liens on accounts receivable because the Iberia Notes HPRH acquired were secured by prepetition accounts receivable of the Debtors. *See* Term Sheet, at ¶ 3(b). *See also* Plan, at § 2.1.57. The Term Sheet requires HPRH to make debt service payments to Iberia in the amount of 53.85% of the distributions HPRH receives from the Trustee for collections of accounts receivable as stated in Section 4.1 of the Plan. The 53.85% received by Iberia from HPRH’s distributions should equate to no less than 29.29% of the gross accounts receivable collected until the Iberia Notes are paid in full. Iberia supports the argument that there is no legal basis for the Trustee to effectively surcharge Iberia’s/HPRH’s collateral for franchise taxes over the 1% cap established in Sections 2.1.4 and 2.1.98 of the Plan.

3. Nothing herein shall be construed as a waiver of Iberia’s rights and remedies under the Term Sheet and any and all documents related to HPRH’s purchase of the Iberia Notes. Iberia hereby reserves all of its rights and remedies against HPRH related to HPRH’s purchase of the Iberia Notes.

WHEREFORE, for the foregoing reasons, Iberia respectfully requests that the Court grant the relief requested in HPRH's Motions and grant Iberia such further relief, both at law and in equity, to which it is justly entitled.

Dated: May 21, 2018

Respectfully submitted,

**JACKSON WALKER L.L.P.**

By: /s/ Michael S. Held

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**ATTORNEYS FOR IBERIABANK**

**CERTIFICATE OF SERVICE**

I certify that on May 21, 2018, I served a copy of the foregoing upon all parties of record via ECF electronic notice.

By: /s/ Michael S. Held.  
Michael S. Held